

# **North Carolina Work Verification Plan**

## **Work First Program**

**September 30, 2006**

**Revised February 28, 2007**

**Revised June 29, 2007**

**Revised September 14, 2007**

### **Overview**

In accordance with the regulatory requirements of the interim final rule that the U.S. Department of Health and Human Service (HHS) published on June 29, 2006, North Carolina is submitting its Work Verification Plan for approval. The NC Work Verification Plan is organized into five sections: countable work activities; hours engaged in work; work-eligible individuals; internal controls; and verification of other data used in calculating the work participation rates. We have used the Work Verification Plan Guidance document provided by HHS as the format for North Carolina's Plan. For ease of reading, all of North Carolina responses to the guidance questions are underlined.

Please note that North Carolina's Temporary Assistance to Needy Families' Program is referred to as "Work First." Therefore, this term will be used throughout the state's Work Verification Plan. Also, it should be noted that North Carolina is a county-administered/state-supervised state.

The Work First Program in North Carolina promotes a strengths-based, family-centered practice. As a part of the Family Support and Child Welfare Services Section, the Work First Program shares in the mission "to provide family-centered services to children and families to achieve well being through ensuring self-sufficiency, support, safety and permanence."

### **I. Countable Work Activities**

For each of the 12 work activities, address the four questions below in completing the Work Verification Plan. Following those general questions, the guide gives the Federal regulatory definition of each activity in italics, with bulleted key preamble requirements. After each definition, the guide asks questions specific to that activity.

## **General Plan Documentation Guidance**

For each activity:

1. Describe the services or programs the State includes under the activity. (Services and programs must conform to the Federal definition of the activity.)
2. Describe how the State determines the number of countable hours of participation for the activity. If the State uses different methods for different services or programs within the activity, the State should describe each.
3. Describe how the State verifies the actual hours of participation for the activity. Include the procedures for obtaining and maintaining documentation of hours of participation.
4. Describe the methods of daily supervision for each unpaid work activity.

## **Plan Documentation Guidance Specific to Each Activity**

Policy revisions to the North Carolina Work First Manual effective October 1, 2006 are compatible with the federal definitions for Work Activities. Any changes in policy as a result of the revised Work Verification Plan will be incorporated into the North Carolina Work First Manual. Work Activities are identified through policy as follows:

**Unsubsidized employment** means full- or part-time employment in the public or private sector that is not subsidized by TANF or any other public program.

- The determination of whether employment is subsidized, or not, depends on whether the employer, rather than the recipient, receives a subsidy.
- Recipients whose employers claim a tax credit for hiring economically disadvantaged workers are considered to be in unsubsidized employment.

1. Describe the services or programs the State includes under the activity. (Services and programs must conform to the Federal definition of the activity.)

North Carolina's definition of unsubsidized employment is consistent with the federal definition for this activity. Unsubsidized employment means full or part time employment in the public or private sector that is not subsidized by TANF or any other public program.

In this context, tax credits received by the employer do not count as subsidies.

This is employment that is paid 100% by the employer.

2. Describe how the State determines the number of countable hours of participation for the activity. If the State uses different methods for different services or programs within the activity, the State should describe each.

Countable hours of participation are based on the actual hours that are reported on employer reports, pay stubs, employer issued documentation, or telephone call verifications that attest to the actual number of hours worked. Hours for which the participant is paid but does not work, such as sick leave, vacation and holidays are considered countable hours.

3. Describe how the State verifies the actual hours of participation for the activity. Include the procedures for obtaining and maintaining documentation of hours of participation.

Employment hours are documented by a signed and dated, wage verification form or time sheet from the employer or by wage stubs. Written documentation verifying actual hours must include the participant's name, actual hours of participation (including paid leave), the name of the employer or worksite supervisor and the name and telephone number of the person verifying the hours.

If any of these written documentation methods cannot be obtained, a telephone call to the employer to verify the actual hours of work will be accepted. This telephone verification must be documented in the case record including the date of the call, name and title of the person who gave the information. This documentation is maintained in the case record. The documentation should also include the reason for not being able to obtain any of the written documentation options above.

### **Documentation:**

1. For self-employment, describe how the State counts and verifies the hours of participation. A State may not count more hours toward the participation rate for a self-employed individual than the individual's self-employment income (gross income less business expenses) divided by the Federal minimum wage. The State may also describe an alternative methodology to count and verify hours a client is engaged in self-employment.

The caseworker divides the countable monthly income (gross earned income less business expenses) by the state minimum wage, to establish the maximum countable self-employment hours, and this number is used to report countable hours of participation until a change is reported. Reports of gross income and business expenses are those used by the Work First agency in determining the self-employed individual's Work First Family Assistance (WFFA) grant. Note: North Carolina chooses to use either the federal or state minimum wage amount, whichever is higher at the time of the calculation, in order to be consistent with the formula used with FLSA calculations. This does not place North Carolina at any advantage over other states, and will be less error-prone for workers by using the same minimum wage in both calculations. Currently, North Carolina's minimum wage is \$6.15 per hour, higher than the federal minimum wage of \$5.85 per hour. Therefore, we will use the state minimum wage in this calculation. If the status should change, county departments of social services will be informed in order to make the adjustment to the higher rate by the time of the law's effective date.

A base period of two weeks will be used to establish the countable income and number of hours of participation for self-employed individuals. Once data for two weeks has been collected, the average income and hours of participation will be projected for six months without re-verification, unless the individual reports a change in earnings or work schedule. Employed individuals are required to submit quarterly reports where they report earnings and hours worked to the Work First agency. The Work First agency will calculate again the projection for the next six months if the quarterly report indicates a change from the previous projection.

2. If the State intends to project forward hours of participation based on current, documented, actual hours, explain how it will make this projection.

The employee's initial work schedule may be established by:

The employee may submit his/her pay stubs, time sheet, or wage verification form that lists the actual hours of work for a minimum of two weeks' work. If these hours are expected to be representative of the participant's ongoing actual work hours, these hours will be used to project hours of work forward for six months unless a change is reported. The projection will take the average of the two weeks' hours, which will serve as the average weekly hours for six months, unless there is a change. It is permissible for the actual hours to be verified by a telephone call with the employer when the above written documentation is not available. This telephone verification must be documented in the case record including the date of the call, name and title of the person who gave the information. The documentation should also include the reason for not being able to obtain any of the written documentation options above.

If the pay stub, time sheet, wage verification form, or telephone call verifications are not representative of the participant's ongoing work hours, actual hours will be reported without projecting.

Employed individuals are required to notify the Work First agency if their actual hours of work change from those projected. In addition, according to North Carolina policy, employed individuals receiving Work First must submit quarterly reports in which they report earnings and hours worked to the Work First agency. If the employed individual reports a change in actual hours, or their quarterly report indicates a change from the previous projection, the Work First agency will recalculate the projection for the next six months. At the six month point, if the individual continues to qualify as a Work First work eligible individual for this component, verification will be done again in order to project hours for the next six months.

**Subsidized private sector employment** means employment in the private sector for which the employer receives a subsidy from WORK FIRST or other public funds to offset some or all of the wages and costs of employing a recipient.

**Subsidized public sector employment** means employment in the public sector for which the employer receives a subsidy from WORK FIRST or other public funds to offset some or all of the wages and costs of employing a recipient.

- Subsidized employment is distinguished from work experience, because the participant is paid wages and receives the same benefits as an employee with no subsidy who performs similar work.
- Subsidized employment does not include “on-the-job training” programs, where employers are subsidized to offset the costs of training.
- The preamble outlines three subsidized employment models:

1. Work supplementation where TANF funds that would otherwise be paid as assistance are paid to employer;
2. A third-party contractor, like a temporary staffing agency, serves as employer of record and is paid a fee to cover salary, expenses and success in placing employees; and
3. Supported work for individuals with disabilities in an integrated setting.

1. Describe the services or programs the State includes under the activity. (Services and programs must conform to the Federal definition of the activity.)

North Carolina elects to leave open the option to use any of these three models for subsidized employment.

The state may also describe other “subsidized employment” models. North Carolina will not use another model at this time.

North Carolina has 100 county departments of social services (DSS) and is a county administered-state supervised system. There is no one subsidized employment program statewide. Each county DSS negotiates and develops written agreements with their local employers to provide subsidized employment based on the demographics and economic environments particular to their county.

Current policy in North Carolina specifies the following:

**Subsidized employment** means employment for which the employer receives a subsidy from TANF or other public funds to offset some or all of the wages and costs of employing a recipient.

If the subsidy is paid by the county department of social services, it is considered wage supplementation. Employers eligible for this subsidy include those in the public, private, and non-profit sectors.

For counties that choose to operate wage supplementation:

- The amount of the wage supplement equals the amount of the cash benefit received the month prior to the individual becoming employed.

- For new applicants, the wage supplement equals the amount of cash the family would have been eligible to receive without consideration of the income to be received through the supplemented job.
- The amount of subsidy will be frozen for the length of the subsidy. Employers will enter into a written agreement with the local department of social services specifying the conditions of the wage supplementation. Written agreements may not exceed 12 months.
- The county must enter into a written agreement with the employer outlining expectations and time frames.

Through an allocation of TANF funds by the North Carolina General Assembly, select county DSS agencies have been offered demonstration grants for implementing innovative strategies designed to increase the state's work participation rate that can be replicated by other counties. Several counties are implementing some form of subsidized employment programs as described above. All counties have been invited to apply for these grants for the second year and the number of demonstration grant counties is expected to grow.

The State will ensure that the various county programs comply with the Federal definition and State description of subsidized employment through the supervision and consultation by the state's Work First Program Representatives assigned to each county and the Demonstration Grant consultants assigned to each demonstration county. When a county DSS establishes a subsidized employment arrangement with local employers, they will be expected to notify their Work First Program Representative and/or their Demonstration Grant consultant who will then review the details of the arrangement to ensure compliance with the federal definition and the state description of subsidized employment.

2. Describe how the State determines the number of countable hours of participation for the activity. If the State uses different methods for different services or programs within the activity, the State should describe each.

Countable hours of participation are based on the actual hours that are reported on employer reports, pay stubs, employer issued documentation or telephone call verifications that attest to the actual number of hours worked. Hours for which the participant is paid but does not work, such as sick leave, vacation and holidays are considered countable hours.

3. Describe how the State verifies the actual hours of participation for the activity. Include the procedures for obtaining and maintaining documentation of hours of participation.

Employment hours are documented by a signed and dated wage verification form or time sheet from the employer or by pay stubs. Written documentation verifying actual hours must include the participant's name, actual hours of participation (including paid leave).

the name of the employer or worksite supervisor and the name and telephone number of the person verifying the hours. This documentation is maintained in the case record.

If any of these written documentation methods cannot be obtained, a telephone call to the employer to verify the actual hours of work will be accepted. This telephone verification must be documented in the case record including the date of the call, name and title of the person who gave the information. The documentation should also include the reason for not being able to obtain any of the written documentation options above.

**Documentation:**

1. If the State intends to project forward hours of participation based on current, documented, actual hours, explain how it will make this projection.

Same as above for Unsubsidized Employment

**Work experience** (including work associated with the refurbishing of publicly assisted housing) if sufficient private sector employment is not available means a work activity, performed in return for welfare, that provides an individual with an opportunity to acquire the general skills, training, knowledge, and work habits necessary to obtain employment. The purpose of work experience is to improve the employability of those who cannot find unsubsidized employment. This activity must be supervised by an employer, work site sponsor, or other responsible party on an ongoing basis no less frequently than daily.

- An individual that is considered an “employee” under the Fair Labor Standards Act (FLSA) must be compensated at the applicable minimum wage. In addition, the FLSA’s overtime pay (for over 40 hours in a work week), child labor, and recordkeeping requirements also apply. Questions about the applicability the FLSA should be directed to the Department of Labor.
- TANF assistance provided to work experience participants is not considered wages for Social Security, Federal income tax, or Earned Income Tax Credit purposes.
- A State may consider a participant to be an “employee” for purposes of workers’ compensation.

1. Describe the services or programs the State includes under the activity. (Services and programs must conform to the Federal definition of the activity.)

The purpose of work experience is to improve the employability of those who cannot find unsubsidized employment. Placements are designed to prepare participants to obtain unsubsidized employment by helping them develop a current work history, establish employment references, and develop and improve marketable skills. Participants are placed at work sites that offer an opportunity to acquire general skills, training, and knowledge, and to develop good work habits. Placements are arranged by the county departments of social services, and work site providers sign the Work Experience Agreement (DSS-6905), which is kept on file for every work experience site. This agreement advises the provider that written verification of the hours spent by participants

in work experience as well as a review of performance is to be provided to the county department of social services, that they must provide the agency with a current and accurate job description, including work duties and expectations, work schedule, expected training outcomes and the method of daily supervision. It also states that work sites cannot be related to any political or partisan activities, nor can they be developed as a result of a strike or bona fide labor dispute and that placement in a work experience site can neither displace staff that are currently employed, nor cause their hours, wages, or benefits to be reduced. Work experience participants cannot fill the position of an employee that has been laid-off. Further, the work site sponsor must establish a grievance procedure for regular employees who feel that displacement has occurred.

A copy of this form, including the anticipated job description, must be given to each participant and is kept in the participant's DSS case record.

There are situations where a participant is enrolled in a vocational education activity that requires the participant to use the skills that they are learning in the curriculum in a laboratory setting or with the public. For example, a participant is enrolled in a cosmetology curriculum at a community college. They spend time "working on the floor" as a hairdresser at the community college for anyone who walks in as a part of their training. The time working as a hairdresser would be countable as work experience. Similarly, a culinary curriculum has a day long laboratory where students are required to dress, act, and prepare meals just as if they were in a restaurant kitchen.

Work experience participants are considered to meet the definition of an employee for Fair Labor Standards Act (FLSA) purposes unless the employer is exempt from FLSA by the Department of Labor. Per guidance from our state's Department of Labor, very few positions are "exempt" from FLSA. Examples were "executive" positions and "outside sales persons." In contrast, route salesmen are not exempt. Also, if the position were to be an hourly wage position, it is usually not exempt. The guidance from our state's DOL was that if there was any doubt that we should err on the side of the position not being exempt. In addition, the State DOL is available for assistance and clarification if needed.

In situations determined to qualify for FLSA, the participant's work schedule will not exceed the combined Work First and Food Stamp benefits divided by the minimum wage. The minimum wage in this calculation will be either the federal minimum wage or the state minimum wage, whichever is greater. Currently, the state minimum wage in North Carolina is higher than the federal minimum wage. If the employer/worksites sponsor is exempt from FLSA by the Department of Labor, the number of hours of participation will not be limited by this calculation.

2. Describe how the State determines the number of countable hours of participation for the activity. If the State uses different methods for different services or programs within the activity, the State should describe each.

Countable hours for work experience are the actual hours that the participant is present on the work site and performing work-related duties. Most participants in a work experience



activity are subject to the Fair Labor Standards Act (FLSA). North Carolina received official approval from the USDA dated September 1, 2006 to implement a limited or “Mini” Simplified Food Stamp Program. This will permit North Carolina to deem these hours as having satisfied the 20-hour average weekly core activity requirement. If the participant is verified to have actually participated in the maximum number of hours allowed under the FLSA requirements, the Work First caseworker will enter into the state’s automated system 20 hours average weekly participation for that month. The Work First caseworker will include the calculations for the maximum number of hours, the actual hours of participation and the documentation of the deemed hours in the participant’s case record.

If the employer/work site sponsor is exempt from FLSA by the Department of Labor, only actual hours of participation will be reported without the deeming component, and documentation will be maintained in the case record indicating the reason that the FLSA formula was not applicable.

3. Describe how the State verifies the actual hours of participation for the activity. Include the procedures for obtaining and maintaining documentation of hours of participation.

The work site sponsor signs the attendance report documenting the actual hours spent on work-related duties on the work site.

The participant is responsible for submitting attendance reports to the county DSS agency no less frequently than bi-weekly.

The DSS case worker monitors the documentation submitted and records it for participation rate purposes and ensures the information is retained in the participant’s case record.

4. Describe the methods of daily supervision for each unpaid work activity.

Participants receive daily supervision provided by the work site sponsor. This requirement is part of the formal agreement between the county DSS and the provider. Also, as part of this agreement, the provider provides routine reviews on the participant’s performance.

**Documentation:** None.

**On-the-job training (OJT)** means training in the public or private sector that is given to a paid employee while he or she is engaged in productive work and that provides knowledge and skills essential to the full and adequate performance of the job. On-the-job training must be supervised by an employer, work site sponsor, or other responsible party on an ongoing basis no less frequently than daily.

- States may subsidize the employer to offset training costs.

- Supported employment may be counted as OJT, if it includes significant on-site training in the skills and knowledge essential to job performance.

1. Describe the services or programs the State includes under the activity. (Services and programs must conform to the Federal definition of the activity.)

The state provides paid on-the-job training (OJT) placements to Work First (TANF) program participants with public and/or private sector employers. On-the-Job Training is supervised by employers no less frequently than daily and provides training that prepares participants to move into unsubsidized employment in specific occupations.

2. Describe how the State determines the number of countable hours of participation for the activity. If the State uses different methods for different services or programs within the activity, the State should describe each.

Countable hours for OJT are the actual hours that the participant is present on the work site and performing work-related duties. This also includes actual hours for which the individual is paid, but does not work, including paid leave and holidays.

3. Describe how the State verifies the actual hours of participation for the activity. Include the procedures for obtaining and maintaining documentation of hours of participation.

Hours of participation may be verified by pay stubs submitted by the participant or by wage verification forms or time sheets signed by the participant's supervisor or manager on the job site. Written documentation verifying actual hours must include the participant's name, actual hours of participation (including paid leave), the name of the employer or worksite supervisor and the name and telephone number of the person verifying the hours.

These documents are maintained in the participant's case record and are used by the agency to determine if sufficient documentation exists to issue a payment to employers.

It is permissible for the actual hours to be verified by a telephone call with the employer when the above written documentation is not available. This telephone verification must be documented in the case record including the date of the call, name and title of the person who gave the information. The documentation should also include the reason for not being able to obtain any of the written documentation options above.

4. Describe the methods of daily supervision for each work activity.

Daily supervision is provided by the employer and is comparable to the daily supervision customary for regular employees at the work site.

#### **Documentation:**

1. Describe the nature of training provided by employers that distinguishes this from subsidized employment.

On-the-Job Training is distinguished from subsidized employment through the use of a training plan in conjunction with written agreements. On-the-Job-Training written agreements are required to be limited to a maximum of 12 months, the duration determined by the complexity of the skills required for the job; to include a job description, which includes the skills and knowledge necessary to perform the job and that reflects the appropriate number of hours per week. The written agreement also outlines the employer's plan to teach the skills needed for this job. The training provided in an OJT placement is designed to develop specific skills and a base of job-specific knowledge on the part of the participant that prepares him/her to become fully qualified as an employee in a specific field. This job-specific skill and knowledge development is above and beyond the mere work experience or general "job readiness" skills that are gained in a subsidized employment situation.

2. If the State intends to project forward hours of participation based on current, documented, actual hours, explain how it will make this projection.

Hours of participation in OJT may be projected for up to six months. The participant must submit at least two weeks' pay stubs, time sheets or wage verification forms that list actual hours of participation. If these hours are expected to be representative of the participant's ongoing actual work hours, these hours will be used to project hours of OJT forward for six months unless a change is reported. If the written documentation methods above cannot be obtained, the allowable telephone call verification outlined previously will be obtained for a two week period and documented as required. It must be made clear to the participant that he/she is required to report any changes to the work schedule. Once the ongoing schedule has been documented, the verified number of hours for up to six months may be reported without verifying monthly. The projection will take the average of the two weeks' hours, which will serve as the average weekly hours for six months, unless there is a change.

If the participant reports a change in schedule, the ongoing number of hours must be re-determined based upon the change.

Participants in OJT are required to notify the Work First agency if their actual hours of work change from those projected. In addition, according to North Carolina policy, participants in OJT receiving Work First must submit quarterly reports which they report earnings and hours worked to the Work First agency. If the participant reports a change in actual hours, or their quarterly report indicates a change from the previous projection, the Work First agency will recalculate the projection for the next six months. At the six month point, if the individual continues to qualify as a Work First work eligible individual for this component, verification will be done again in order to project hours for the next six months.

If the wage verification form, the pay stubs, or telephone call verifications are not representative of the participant's ongoing schedule, actual hours will be reported without projecting.

**Job search and job readiness assistance** means the act of seeking or obtaining employment, preparation to seek or obtain employment, including life skills training, and substance abuse treatment, mental health treatment, or rehabilitation activities for those who are otherwise employable. Such treatment or therapy must be determined to be necessary and certified by a qualified medical or mental health professional. Job search and job readiness assistance activities must be supervised by the TANF agency or other responsible party on an ongoing basis no less frequently than daily.

- “Job search” includes looking for suitable job openings, making contact with potential employers, applying for vacancies, and interviewing for jobs.

- Job readiness assistance comprises two activities:

1. Preparing an individual to obtain employment, such as preparing a resume or job application, interviewing skills, instruction in work place expectations, and life skills training; and

2. Substance abuse treatment, mental health treatment, or rehabilitation activities for those who are otherwise employable.

- A State may only count an individual's actual hours of participation in treatment or rehabilitation activities.

- If a portion of the treatment or rehabilitation activities meets a common-sense definition of another work activity, then the hours associated with the work may count under the appropriate allowable work category.

- For purposes of the six-week limitation (no more than four consecutive weeks), a week consists of seven consecutive days.

North Carolina has consistently been considered a “needy State” for the Contingency Fund and therefore has the twelve-week limitation on a month by month basis (no more than four consecutive weeks.)

If substance abuse treatment, mental health treatment, or rehabilitation activities are assigned, a qualified medical or mental health professional must certify that such treatment is necessary.

1. Describe the services or programs the State includes under the activity. (Services and programs must conform to the Federal definition of the activity.)

County departments of social services provide a broad range of job search and job readiness activities through Employment Security Commission, Jobs Links Centers, community colleges, community rehabilitation facilities, community action agencies, and other public and private organizations. Some county departments of social services have established written agreements for positions to serve as coaches or mentors to provide one on one job search and job readiness services.

Structured job search programs typically include periodic (e.g. weekly) group meetings for instruction, exchange of job leads, networking with other job seekers, etc. This may also include individual conferencing with a job developer for specific job leads. Job search activities also include searching for job openings, applying with potential employers and interviewing for specific positions. Participants maintain job search logs and submit these no less than bi-weekly.

Job readiness programs address basic interviewing skills, workplace skills and habits, as well as life skills that help participants to be able to succeed in the workforce. Activities include skills training on budgeting, household management, interpersonal skills, decision-making, time management and balancing work and life. Human Resource Development training is provided through the community college system. Job readiness programs are structured and scheduled.

County departments of social services provide referrals for substance abuse treatment, mental health treatment, and rehabilitative activities through public and private service providers in their communities. At application, each applicant is mandated by state law to be screened for substance abuse. If this screening identifies the need for further evaluation or substance abuse treatment, the county caseworker makes the appropriate referral. County caseworkers conduct an assessment of each applicant/recipient in regards to their mental health, physical health, domestic violence, and other well being needs that may be barriers to employment. If any barriers are identified, the caseworker refers the applicant/recipient to the appropriate professional community resource for rehabilitative services to prepare the applicant /recipient for employment. If domestic violence is the barrier and rehabilitative services are needed to prepare the individual for employment, it may be considered as a job readiness activity. However, if the services are not related to preparing the individual for employment and if appropriate, the county DSS will exercise the state's Family Violence Option in this case.

2. Describe how the State determines the number of countable hours of participation for the activity. If the State uses different methods for different services or programs within the activity, the State should describe each.

Countable hours for Job search include actual time spent researching job leads, such as searching classified ads and online employment resources, actual time spent making telephone calls or fax or email contact with employers, and actual time spent visiting work sites to seek interviews and to complete and submit job applications. Travel time between locations during the day, such as between different employers' offices to seek employment is included in the hours of participation. Commuting time from home to a job search location and back home at the beginning and end of the day is not included. Each participant must maintain a daily log of all employment contacts. This log must contain specific information on each job search activity, including researching for job leads, what potential employers were contacted and the method of contact (face to face, telephone, internet, etc.) The participant's log will include travel between job search activity sites indicating the beginning and ending point and number of miles traveled. The caseworker will document in the case record the estimated time for this travel as

countable time. Map Quest or other similar tools may be used for this calculation for time traveled. The log must also include the actual time spent in job search activities. The daily log must be submitted to the Work First agency. If the participant is engaged in more formal job search group sessions or one-on-one sessions, the actual time in these activities must also be included on the daily log.

Countable hours for job readiness activities, including substance abuse treatment, mental health treatment, and rehabilitative activities include actual time spent engaged in group or individual evaluation or treatment as provided for in the participant's treatment plan. Structured job readiness programs, typically provided through the Community College system, are conducted in the classroom or on a one-on-one basis by the program provider. The program provider maintains attendance records or time cards that are submitted to the Work First agency to be maintained in the case file.

3. Describe how the State verifies the actual hours of participation for the activity. Include the procedures for obtaining and maintaining documentation of hours of participation.

Actual job search hours are documented on a daily basis on the daily log and verified by when the participant submits the daily log to the Work First agency at least every two weeks. The daily log and all documentation are reviewed by the caseworker, and the participant signs a statement on the daily log indicating that the actual hours reported are truly and accurately reported. The caseworker checks the log to make sure that the activities listed are allowable job search activities and that they are consistent with the participant's plan. The daily log is filed in the participant's case record.

If the participant is engaged in more formal job search group sessions or one-on-one sessions, the actual time in these activities must also be included on the daily log and signed and dated by the job search group leader, job coach or one-on-one provider.

Whenever a Work First recipient is identified for job search as an activity, the caseworker will inform the participant that random checks on reported job search activities will be made to verify the time reported and actual activity on the daily log. During the time that the participant is engaging in job search activities, the caseworker will conduct at least one random contact during each four consecutive week period to verify what was reported on the daily log. Also, when the participant is using referrals from the Employment Security Commission, the caseworker can contact them for verification on a random basis.

Job readiness hours are verified by attendance reports maintained by the participant on a daily basis and submitted to the Work First agency. These attendance reports are signed by the program provider attesting to the accuracy of the actual hours reported. The attendance reports are reviewed by the caseworker and filed in the participant's case record.

Participation in substance abuse treatment, mental health treatment, and rehabilitative activities is documented by reports on attendance and progress from the direct service provider. These reports will be provided to the Work First agency to be reviewed by the caseworker for accuracy and filed in the case record.

4. Describe the methods of daily supervision for each unpaid work activity.

Supervision of job search activity is completed by the provider of the activity to whom the participant reports to give updates of daily activities and to receive instruction and job leads. Daily supervision does not necessarily mean daily contact. Daily supervision of a job search participant means access to a Work First case worker or other employment services provider on a daily basis for reporting progress, providing additional guidance, or additional job leads as needed in between in-person contacts. In-person contact must occur at least every two weeks.

Supervision of job readiness activities is provided by the instructor, facilitator or staff person leading the class, group activity or other program activity. The instructor, facilitator, or other staff person provides the participant with an attendance report that documents actual hours of participation on a daily basis. The instructor, facilitator or staff person signs the attendance report attesting to the accuracy of actual hours reported and the attendance report is submitted to the Work First agency at least biweekly.

Substance abuse treatment, mental health treatment, and rehabilitative activities are provided by the direct service provider, typically the service or treatment provider, instructor or group leader. The direct service provider provides for the daily supervision of the participant. The Work First case manager will maintain contact with the services provider while the participant is enrolled in the treatment or activity, as appropriate.

### **Documentation:**

1. If the State intends to count as substance abuse treatment, mental health treatment and rehabilitation activities, describe the criteria to determine whether recipients are “otherwise employable” and establish the necessity of treatment or therapy. Describe the certification requirements for qualified medical or mental health professionals used in this process.

Recipients’ employability is assessed at the beginning of (and periodically throughout) their participation in employment services. Participants in need of substance abuse, mental health, or rehabilitative treatment are determined “otherwise employable” if they demonstrate a substantial, recent connection to the work force, or if they demonstrate basic communication skills and understanding of workplace behaviors and requirements, adequate for retaining employment, based on the assessment interview.

State law requires a screening at application for substance abuse for every applicant for Work First. If the results of the screening process indicate, the applicant is referred to a Qualified Professional in Substance Abuse (QPSA) or a physician certified by the

American Society of Addiction Medicine (ASAM) for an evaluation. If the substance abuse assessment by the QPSA or ASAM certified physician indicates a need for substance abuse treatment, state law requires that professional substance abuse treatment be required as a part of the individual's Mutual Responsibility Agreement. Failure to comply with the substance abuse treatment results in the individual's loss of benefits. However, the individual continues to be required to participate in countable activities for the state's work participation rate. The service provider supplies documentation for the case record that the participant is in need of treatment in order to resolve the barriers to employment and the type, duration, and frequency of treatment.

County caseworkers conduct an assessment of each applicant/recipient in regards to their mental health, physical health, and other well being needs that may be barriers to employment. If any barriers are identified, the caseworker refers the applicant/recipient to the appropriate professional community resource for further mental health or rehabilitative evaluation and treatment. The service provider will supply documentation for the case record that the participant is in need of treatment in order to resolve the barriers to employment and the type, duration, and frequency of treatment.

Qualified medical professionals include medical doctors, physician's assistants, psychologists, Licensed Certified Social Workers (LCSW), Certified Nurse Specialists (CNS), Family Nurse Practitioners (FNP), Certified Substance Abuse Counselors (CSAC) and Licensed Professional Counselors (LPC)

2. Describe how the State ensures that no more than six total weeks (four consecutive weeks) of job search and job readiness assistance are reported in a fiscal year (or a total of 12 weeks in States that meet the definition of a "needy State" for the Contingency Fund).

North Carolina has consistently been considered a "needy State" for the Contingency Fund. Historically, the state's automation system has controlled for the maximum of six weeks for job search and job readiness. Automation changes have been made to control for the 12 weeks instead of the current six weeks. Current policy instructs workers to only enter up to four consecutive weeks using the federal reporting code and only up to the 12 weeks overall for a given federal fiscal year. If a participant is involved with job search or job readiness activities after four consecutive weeks, the hours are not coded in the automated systems as federally countable hours. Monitoring is provided as described below in the section on Internal Controls.

The Division will monitor the Office of Family Assistance web page at <http://www.acf.hhs.gov/programs/ofa/pi-ofa/12weekqualifier.htm> on a monthly basis to determine the state's status as a "needy State" for the Contingency Fund. For any month during which North Carolina does not qualify to report up to 12 weeks of Job Search and Job Readiness activities, the state will not report participation hours for individuals who have reached or exceeded the six week limit.



Policy instructs that any hour reported for job search or job readiness in any given week must count as an entire week of participation in the activity for federal reporting purposes.

**Community service programs** mean structured programs and embedded activities in which TANF recipients perform work for the direct benefit of the community under the auspices of public or nonprofit organizations. Community service programs must be limited to projects that serve a useful community purpose in fields such as health, social service, environmental protection, education, urban and rural redevelopment, welfare, recreation, public facilities, public safety, and child care. Community service programs are designed to improve the employability of recipients not otherwise able to obtain employment, and must be supervised on an ongoing basis no less frequently than daily. A State agency shall take into account, to the extent possible, the prior training, experience, and skills of a recipient in making appropriate community service assignments.

- Family- and self-improvement activities that do not provide a direct benefit to the community may not be counted as community service, including substance abuse treatment, mental health and family violence counseling, life skills and parenting classes, job readiness instruction and caring for a disabled household family member.
- Community service programs may not include activities that meet the definition of another allowable TANF work activity.
- Programs must include structured activities that both provide a community service and also improve the employability of participants.
- Excluded activities include unstructured and unsupervised activities such as helping a neighbor or friend, and foster parenting.
- A participant that is considered an “employee” is subject to the Fair Labor Standards Act (FLSA) requirements.

1. Describe the services or programs the State includes under the activity. (Services and programs must conform to the Federal definition of the activity.)

North Carolina will provide a variety of structured community service activities in which Work First recipients perform structured activities that benefit the community in collaboration with public or nonprofit organizations. Community service programs in North Carolina are structured programs in which Work First recipients perform work for the direct benefit of the community under the auspices of public or nonprofit organizations. Community service programs must be limited to projects that serve a useful community purpose in fields such as health, social service, environmental protection, education, urban and rural redevelopment, welfare, recreation, public facilities, public safety, and child care. According to the guidance from our North Carolina Department of Labor, there are four major categories of Community Service: Religious, Charitable, Humanitarian, and Medical. Community service programs are designed to improve the employability of recipients not otherwise able to obtain employment by giving them experience and skills that can contribute toward a resume, as well as giving them an opportunity to practice such employment-like attributes such as meeting a schedule, appropriate dress, responding to authority figures, following directions and appropriate work behaviors.

2. Describe how the State determines the number of countable hours of participation for the activity. If the State uses different methods for different services or programs within the activity, the State should describe each.

Countable hours are the actual hours the participant spends at a site providing volunteer services. If the Community Service activity meets the definition outlined above and constitutes an employer/employee relationship as determined by the Department of Labor, it is subject to the Fair Labor Standards Act (FLSA.) In the cases where the FLSA applies for a community service activity for an individual, their schedule of participation cannot exceed the combined Work First and Food Stamp benefits divided by the minimum wage. The minimum wage in this calculation will be either the federal minimum wage or the state minimum wage, whichever is greater. North Carolina received official approval from the USDA dated September 1, 2006, to implement a limited or "Mini" Simplified Food Stamp Program. This will permit North Carolina to deem hours subject to FLSA for community services as having satisfied the 20-hour average weekly core activity requirement, if the participant is verified to have actually participated in the maximum number of hours allowed under the FLSA requirements. The Work First caseworker will enter into the state's automated system 20 hours average weekly activity for that month. The Work First caseworker will include the calculations for the maximum number of hours, the actual number of hours of participation and the documentation of the deemed hours in the participant's case record.

If the community service activity does not constitute an employer/employee relationship, the number of hours will not be limited by this calculation. All actual hours of participation will be reported.

3. Describe how the State verifies the actual hours of participation for the activity. Include the procedures for obtaining and maintaining documentation of hours of participation.

The individual's supervisor at the volunteer site signs a daily attendance report documenting actual hours devoted to community service activities. The participant is responsible for submitting signed and dated attendance reports to the Work First agency at least every two weeks. The attendance reports will be filed in the participant's case record.

4. Describe the methods of daily supervision for each unpaid work activity.

Daily supervision is provided by the volunteer site sponsor.

**Documentation:**

1. Describe how the types of community service positions that create an employer/employee relationship and are subject to the FLSA minimum wage requirements will be determined.

In consultation with the North Carolina Department of Labor, we have established that unpaid, community service positions that fit the definition as outlined above will be considered employer/employee relationships, if there are similar paid employee positions in the organization or would be similar paid employee positions in the organization if they had one. In most instances identified by county departments of social services as the community service positions used currently, most of these positions would constitute an employer/employee position.

There are rare situations that may be community service positions that do not constitute an employer/employee relationship. These would be positions in an entirely volunteer organization where no one is paid and no one has oversight over any other volunteer.

In those arrangements that are considered voluntary community service arrangements and not employer/employee relationships, actual hours will be reported without using the deeming process.

2. If the State permits self-initiated community service positions, describe how it determines that the position provides a direct community service and improves the recipient's employability.

North Carolina will not permit self-initiated community service positions for the purpose of counting toward the federal work participation hours.

**Vocational educational training** (not to exceed 12 months with respect to any individual) means organized educational programs that are directly related to the preparation of individuals for employment in current or emerging occupations requiring training other than a baccalaureate or advanced degree. Vocational educational training must be supervised on an ongoing basis no less frequently than daily.

- Unsupervised homework time may not count; however structured and monitored study sessions which can be documented may be counted.
- Vocational education must be provided by education or training organizations, such as vocational-technical schools, community colleges, postsecondary institutions and proprietary schools, etc.

1. Describe the services or programs the State includes under the activity. (Services and programs must conform to the Federal definition of the activity.)

The state provides a wide variety of programs, primarily through community colleges that prepare participants for licensure or certification in various trades and careers. In addition to community colleges, there are many private technical schools and other service providers that provide vocational educational training.

Vocational educational training programs lead to Associate in Applied Science Degrees, Vocational Certificates or Diplomas in the following categories:

Accounting	Electronic Servicing	Mechanical Drafting
Advertising and Graphic Design	Electronics Engineering	Mechanical Engineering

	Technology	Technology
Agribusiness	Electronics Technology	Media Integration
Agriculture Biotechnology	Emergency Medical Science	Medical Assisting
Air Conditioning, Heating, and Refrigeration Technology	Emergency Preparedness	Medical Coding
Animal Care and Management	Entertainment Technologies	Medical Laboratory Technology
Aquaculture	Environment, Health, and Safety Technology	Medical Office Administration
Architectural Technology	Environmental Science Technology	Medical Sonography
Associate Degree Nursing	Equine Technology	Medical Transcription
Autobody Repair	Esthetics	Metal Engraving
Automation Engineering Technology	Esthetics Instructor	Motorcycle Mechanics
Automotive Customizing	Facility Maintenance	Motorsports Management
Automotive Restoration	Facility Maintenance Worker	Nanotechnology
Automotive Systems Technology	Film and Video Production	Networking Technology
Aviation Management and Career Pilot Technology	Financial Services	Nondestructive Examination Technology
Aviation Systems	Fine and Creative Woodworking	Nuclear Medicine Technology
Baking and Pastry Arts	Fire Protection	Nursing Assistant
Barbering	Fish and Wildlife Management	Occupational Education Associate
Basic Law Enforcement Training	Forest Management	Occupational Therapy Assistant
Biomedical Equipment Technology	Funeral Service Education	Office Systems Technology
Bioprocess Technology	Furniture Production	Ophthalmic Medical Assistant
Biotechnology	Furniture Upholstery	Optical Apprentice
Boat Building	Gaming Management	Optical Laboratory Mechanics
Broadcasting and Production	General Occupational Technology	Opticianry
Building Construction	Geospatial Technology	Outdoor Leadership
Business Administration	Global Logistics	Paralegal Technology
Cancer Information Management	Golf Equipment Technician	Parks and Natural Resource Management
Cardiovascular Sonography	Graphic Arts and Imaging	Pharmacy Technology
Cardiovascular Technology	Greenhouse and Grounds Maintenance	Phlebotomy
Carpentry	Gunsmithing	Photographic Technology
Central Sterile Processing	Health Care Technology	Physical Therapist Assistant
Chemical Process Technology	Health Information Technology	Plumbing
Chemical Technology	Health Unit Coordinator	Polysomnography
Civil Engineering Technology	Healthcare Management	Postal Service Technology
Clinical Trials Research Associate	Heavy Equipment and Transport	Practical Nursing
Commercial Refrigeration	Heavy Equipment Operator	Professional Arts and Crafts
Community Journalism	High Performance Computing	Professional Crafts
Community Spanish Interpreter	Histotechnology	Pulp and Paper Technology
Computed Tomography & Magnetic Resonance Imaging Technology	Horticulture	Radiation Therapy
Computer Engineering Technology	Hotel and Restaurant Management	Radiography
Computer Information	Human Services Technology	Real Estate

Technology		
Computer Programming	Industrial Construction	Real Estate Appraisal
Computer-Aided Drafting Technology	Industrial Engineering Technology	Recreation and Leisure Studies
Construction Management	Industrial Management	Recreational Vehicle Maintenance and Repair
Cosmetology	Industrial Pharmaceutical Technology	Rehabilitation Assistant
Court Reporting and Captioning	Industrial Systems Technology	Resort and Spa Management
Criminal Justice	Infant/Toddler Care	Respiratory Therapy
Culinary Technology	Information Systems Security	Simulation and Game Development
Cyber Crime Technology	Insurance	Small Engine and Equipment Repair
Cytotechnology	Interior Design	Speech-Language Pathology Assistant
Data Entry	Interpreter Education	Surgical Technology
Database Management	Interventional Cardiac and Vascular Technology	Surveying
Dental Assisting	Laboratory Technology	Sustainable Agriculture
Dental Hygiene	Landscape Architecture	Taxidermy
Dental Laboratory Technology	Landscape Gardening	Telecommunications and Network Engineering Technology
Desktop Publishing	Laser and Photonics Technology	Telecommunications Installation and Maintenance
Dialysis Technology	Library and Information Technology	Therapeutic Massage
Dietetic Technician	Livestock and Poultry Technology	Therapeutic Recreation
Digital Effects and Animation	Machining	Travel and Tourism
Digital Media Technology	Manicuring/Nail Technology	Truck Driver Training
Early Childhood Education	Manufacturing Engineering Technology	Turfgrass Management
Early Childhood Education/Teacher Associate	Manufacturing Technology	Veterinary Medical Technology
Electric Lineman Technology	Marine Propulsion Systems	Viticulture and Enology
Electrical Engineering Technology	Marine Sciences	Web Technologies
Electrical Power Production Technology	Marine Technology	Welding
Electrical/Electronics Technology	Masonry	Wood Products Technology
Electroneurodiagnostic Technology	Materials Science	

Other organized educational programs that are directly related to the preparation of individuals for employment in current or emerging occupations requiring training other than a baccalaureate or advanced degree may be added when the Work Verification Plan is updated.

2. Describe how the State determines the number of countable hours of participation for the activity. If the State uses different methods for different services or programs within the activity, the State should describe each.

Countable hours are the actual number of hours spent attending classes, performing other required clinical and/or lab activities that are required as a part of the program, and attending supervised study sessions.

3. Describe how the State verifies the actual hours of participation for the activity. Include the procedures for obtaining and maintaining documentation of hours of participation.

Contractors and educational providers are responsible for daily supervision of assigned clients. A daily attendance record or time sheet is maintained by the participant to reflect actual hours of attendance. This form is signed by the contractor, staff from the educational institution involved in tracking attendance, or class instructor. The participant is responsible for turning in the signed attendance record or time sheet to the Work First agency at least every two weeks. Participant attendance records or timesheets are maintained by the Work First agency in the participant's case record. The Work First caseworker provides supervision and monitoring of client progress and compliance.

4. Describe the methods of daily supervision for each unpaid work activity.

Daily supervision is provided by the instructors and the supervised study monitors.

#### **Documentation:**

1. Describe how the State ensures participation in vocational educational training does not count beyond the statutory limitations limiting participation to 12 months lifetime per individual.

North Carolina's automated systems contain edits that prevent entry of hours for months beyond the 12-month lifetime limit.

If any hours are reported in a given month, the state's automated system (EPIS) counts that month as one of the 12 months for the lifetime limit.

2. Explain how the State will ensure that basic and remedial education and English as a Second Language (ESL), if such activities are counted, are of limited duration and a necessary or regular part of the vocational education training.

Work First staff will review any curricula that include basic and remedial education and ESL to ensure that such activities are of limited duration and a necessary part of the training. When a participant enrolls in a basic and remedial educational program or an ESL program, the caseworker will request a statement from the organization providing the curriculum that verifies that the basic/remedial education and/or ESL are regular and necessary parts of the overall curriculum. This statement may be in writing or documented through a telephone call by the caseworker. Documentation of this statement will be included in the participant's Work First case record. If it is determined that the basic/remedial education and/or ESL are not of limited duration and/or not a

regular part of the vocational education curriculum, the hours spent in those activities will be counted as education directly related to employment.

**Job skills training directly related to employment** means training or education for job skills required by an employer to provide an individual with the ability to obtain employment or to advance or adapt to the changing demands of the workplace. Job skills training directly related to employment must be supervised on an ongoing basis no less frequently than daily.

- May include both customized and general training to prepare an individual for employment, including literacy and language instruction.
- Barrier removal activities, such as substance abuse counseling and treatment, may not be included.
- Unsupervised homework time may not be counted.

1. Describe the services or programs the State includes under the activity. (Services and programs must conform to the Federal definition of the activity.)

The state provides a variety of programs, primarily through community colleges that provide participants with skills required by employers for particular jobs. Curricula are often custom-developed by the community college system for employers.

This activity includes four-year bachelor degree programs at any State certified college or university. It also includes all services and programs described in the vocational educational training activity described above.

2. Describe how the State determines the number of countable hours of participation for the activity. If the State uses different methods for different services or programs within the activity, the State should describe each.

Countable hours are the actual number of hours spent attending classes, performing other required clinical and/or lab activities that are required as a part of the program, and attending supervised study sessions.

3. Describe how the State verifies the actual hours of participation for the activity. Include the procedures for obtaining and maintaining documentation of hours of participation.

Educational providers are responsible for daily supervision of assigned clients and must document total actual hours of participation in their programs. A daily attendance record is used to reflect actual hours of attendance. This form is signed by staff from the educational institution or class instructor. The participant or the educational provider will provide this attendance documentation to the Work First agency at least every two weeks. Client attendance records and progress reports are maintained by the Work First agency in the participant's case record. The Work First caseworker provides supervision and monitoring of client progress and compliance based on the daily attendance records and

progress reports provided by the educational institution or class instructor or study hall monitor.

If the participant is attending a supervised study/homework arrangement, those hours will be reported by a daily attendance report signed by the person who supervises the study time.

Unsupervised homework or study time is not countable

4. Describe the methods of daily supervision for each unpaid work activity.

Daily supervision is provided by the instructors and the supervised study monitors.

**Documentation:** None.

**Education directly related to employment, in the case of a recipient who has not received a high school diploma or a certificate of high school equivalency** means education related to a specific occupation, job, or job offer. Education directly related to employment must be supervised on an ongoing basis no less frequently than daily.

- May include adult basic education and ESL, and where required as a prerequisite for employment education leading to a GED or high school equivalency diploma.
- Participants should make “good or satisfactory progress” such as performance, attendance, and completion timeframes under the standards of the institution or program.
- Unsupervised homework time may not be counted.

1. Describe the services or programs the State includes under the activity. (Services and programs must conform to the Federal definition of the activity.)

Adult clients who do not have a High School diploma or GED and need further education to obtain specific employment are included in this program. Services include GED preparation (classes, testing), Adult Basic Education (ABE), English as a Second Language (ESL), literacy skills and supervised homework and study activities. These educational activities can be provided by community colleges and other community agencies.

2. Describe how the State determines the number of countable hours of participation for the activity. If the State uses different methods for different services or programs within the activity, the State should describe each.

Countable hours of participation in education directly related to employment activities are reported by daily attendance records signed by the instructor(s) that document the actual hours that the participant spends attending classes and supervised study/homework sessions.



Unsupervised homework or study time is not countable.

3. Describe how the State verifies the actual hours of participation for the activity. Include the procedures for obtaining and maintaining documentation of hours of participation.

Daily attendance reports are signed by the program instructor or the supervised study monitor. Attendance records are submitted at least every two weeks to the Work First agency and maintained in the participant's case record.

4. Describe the methods of daily supervision for each unpaid work activity.

Daily supervision is provided by the program instructor and/or supervised study monitor.  
**Documentation:**

1. Describe the State's criteria for "good or satisfactory progress" and when and how it is documented.

Good or satisfactory progress will be determined according to criteria established by the educational institution. At the beginning of participation, participants will receive an initial assessment that will establish a timetable for progress, for example, target dates for taking GED tests. Participants and/or program providers will provide a grade report at the end of the grading periods, which will be maintained in the participant's case record. Participants will be expected to meet these targets or show good cause why they have not been able to show progress.

**Satisfactory attendance at secondary school or in a course of study leading to a certificate of general equivalence, in the case of a recipient who has not completed secondary school or received such a certificate** means regular attendance, in accordance with the requirements of the secondary school or course of study, at a secondary school or in a course of study leading to a certificate of general equivalence, in the case of a recipient who has not completed secondary school or received such a certificate. This activity must be supervised on an ongoing basis no less frequently than daily.

- Participants should make "good or satisfactory progress" such as performance, attendance, and timeframes under the standards of the institution or program.
- May not include other related educational activities, such as adult basic education or language instruction.
- Unsupervised homework time may not count.

1. Describe the services or programs the State includes under the activity. (Services and programs must conform to the Federal definition of the activity.)

Satisfactory school attendance is defined as regular attendance at a public or private high school or GED preparatory program at community colleges or other institutions for

individuals who have not completed secondary school or received such a certificate. Satisfactory school attendance will be in accordance with the requirements of the school, institution or program.

2. Describe how the State determines the number of countable hours of participation for the activity. If the State uses different methods for different services or programs within the activity, the State should describe each.

Countable hours of participation in this activity are reported by daily attendance records signed by the instructor(s) that document the actual hours that the participant spends attending classes and supervised study/homework sessions.

Unsupervised homework or study time is not countable.

3. Describe how the State verifies the actual hours of participation for the activity. Include the procedures for obtaining and maintaining documentation of hours of participation.

The state obtains attendance records from public and private high schools. The attendance record is obtained as provided by the school on the schedule set by the school and maintained in the participant's case record with the Work First Agency. If the participant is involved in a supervised study activity, the monitor of that activity will sign a daily attendance record documenting the actual hours of participation.

4. Describe the methods of daily supervision for each unpaid work activity.

Daily supervision is provided by school personnel, program instructor and/or supervised study hall monitor.

#### **Documentation:**

1. Describe the State's criteria for "good or satisfactory progress" and when and how it is documented.

Good or satisfactory progress in secondary school will be determined by the educational institution and documented by regular grade reports. For a course of study leading to a certificate of general equivalence, participants will receive an initial assessment from the provider that will establish a timetable for progress, for example, target dates for taking GED tests. Participants and/or program providers will provide a grade report at the end of the grading periods, which is maintained in the participant's case record. Participants will be expected to meet these targets or show good cause why they have not been able to show progress.

**Providing child care services to an individual who is participating in a community service program** means providing child care to enable another TANF recipient to participate in a community service program. This activity must be supervised on an

ongoing basis no less frequently than daily.

- Does not include providing child care to enable a TANF recipient to participate in any of the other 11 allowable work activities.

North Carolina does not intend to use this work activity.

**Documentation:** NA

## **II. Hours Engaged in Work**

This section includes two topics: excused absences and FLSA deeming.

### **Excused Absences**

Describe the State's excused absence policies for unpaid work activities. This includes its policies for holidays as well as the ten additional excused absences that the State may count in a 12-month period. If the policies vary by work activity, the State should describe how they vary and for which activities.

Only individuals scheduled to participate in unpaid countable work activities will receive credit for excused absences when a participant:

- Has a sick child who needs medical attention or is too sick to go to child care or school.
- Is required to appear in court.
- Needs to attend a conference at a child's school.
- Needs to attend appointments with service providers, such as the food stamp agency, child support enforcement, mental health, health department, etc.
- Is unable to attend the scheduled activity due to inclement weather.
- Is sick.
- Has had a death in the family.
- Has an unexpected interruption in child care or transportation due to an emergency.

Excused absences are limited to 10 days within any 12-month time period. No more than two excused absences may occur within a month in the areas identified above. In order to count toward countable hours, excused absences must be days that the individual would have otherwise been expected to participate. Any part of a day is considered a full day for excused absences. Holidays are limited to ten (10) holidays identified as follows:

- New Year's Day
- Martin Luther King, Jr. Day
- Good Friday
- Memorial Day
- July 4<sup>th</sup>

- Labor Day
- Thanksgiving Day
- Day after Thanksgiving
- Christmas Eve
- Christmas Day

Note: if Christmas Eve and/or Christmas Day fall on a weekend day, either the Friday before and/or the Monday after the weekend will be substituted for the Holiday. Any additional holidays will not be reported as countable hours. Excused absences and holidays will be tracked manually and verified by the county DSS. Verification will be documented and maintained in the participant's case record.

For all paid work activities (employment and OJT,) excused absences and holidays may be counted when the participant is paid for the time.

### **FLSA Deeming**

If the State wishes to use the “deeming” provision permitted at §§ 261.31 and 261.32 for work experience or community service programs, describe how the State determines the work hours requirement, including how the monthly TANF grant and food stamp allotment are combined and divided by the appropriate minimum wage to meet the “core” participation requirement. Include a statement certifying that the State has adopted a “mini” Simplified Food Stamp Program in order to count the value of food stamp benefits. The Food and Nutrition Service has indicated that a TANF work experience or community service program can serve as the Food Stamp Workfare Program, which would otherwise be required before a State could combine the food stamp allotment to calculate the hours required.

If State policies or procedures differ for work experience and community service programs on FLSA deeming, the State should make those differences clear.

North Carolina received official approval from the USDA dated September 1, 2006 to implement a limited or “Mini” Simplified Food Stamp Program. (See attached letter from USDA) This will permit North Carolina to deem these hours as having satisfied the 20-hour Work First core activity requirement once the official policy is in place.

The maximum number of hours the participant may be assigned to work experience per month is determined by dividing the amount of the Work First Cash Assistance plus their Food Stamp allotment by the minimum wage amount (not to exceed 40 hours per week). If the allowable hours are less than 20 hours per week, and the participant meets their allowable hours, these hours will be deemed as having satisfied the 20-hour-core activity requirement. The minimum wage amount will be either the federal or state minimum wage amount, whichever is higher at the time of the calculation. Currently, North Carolina's minimum wage is \$6.15 per hour, higher than the federal minimum wage of \$5.85 per hour. Therefore, we will use the state minimum wage in this calculation. If the

status should change, county departments of social services will be informed in order to make the adjustment to the higher rate by the time of the law's effective date.

The case worker will document in the participant's case record the calculation for the allowable number of hours that meet the FLSA requirements and the actual number of hours reported. The case worker will also document in the participant's case record when the participant's actual number of hours meet the maximum number of hours for FLSA purposes and that the deemed 20 hours are being reported. The case worker enters into the automated reporting system the actual number of hours if less than the maximum for FLSA purposes or the deemed 20 hours if the actual number of hours meets the maximum.

If a position creates an employer/employee relationship according to the definition of the Fair Labor Standards Act, North Carolina will categorize that activity as work experience or community service and will apply the above calculation to determine the maximum number of hours that the participant can actually participate.

The calculation and manual tracking of deemed hours will be documented in case files as participants receive credit for those hours

### **III. Work-Eligible Individual**

The State must describe:

- procedures for identifying all work-eligible individuals;
- how the State ensures that, for each work-eligible individual, it accurately inputs data into the automated data processing system,
  - » properly tracks the hours, and
  - » accurately reports countable hours to HHS that do not include participation in an activity that does not meet a Federal definition.

**Work-eligible individual** means an adult (or minor child head-of-household) receiving assistance under TANF or a separate State program or a non-recipient parent living with a child receiving such assistance (usually a child-only case) unless the parent is:

- A minor parent and not the head-of-household or spouse of the head-of-household;
- An alien who is ineligible to receive assistance due to his or her immigration status; or
- At State option, on a case-by-case basis, a recipient of Supplemental Security Income (SSI) benefits.

The term also excludes:

- A parent providing care for a disabled family member living in the home who does not attend school on a full-time basis, provided that the need for such care is supported by medical documentation; and
- An individual in a family receiving MOE-funded assistance under an approved Tribal TANF program, unless the State includes the Tribal family in calculating work participation rates.

Documentation:

1. Describe the State's procedures for identifying all work-eligible individuals, as defined at § 261.2. This should include the procedures needed to identify a non-recipient parent **excluded** from the definition of work-eligible individual. These are:
  - A minor parent who is not the head-of-household and not spouse of the head-of-household;
  - An alien who is ineligible to receive assistance due to his or her immigration status; and
  - At State option, on a case-by-case basis, a recipient of Supplemental Security Income (SSI) benefits.

The State should also describe its procedures for identifying a parent caring for a disabled family member, who may also be excluded from the definition of a work-eligible individual. The procedures should define the terms "disabled," "family member" and "attending school full-time." This should include a means of ensuring that the need for care in the home is supported by medical documentation and describe the nature of the medical documentation used to make such determinations. If the State includes in this group parents caring for a family member with a temporary disability, the State must describe its procedures for determining when the family member is no longer disabled and ensuring that the parent is then identified as a work-eligible individual.

Policy revisions to the North Carolina Work First Manual effective October 1, 2006 are compatible with the federal definitions for work-eligible Individuals. Work eligible individuals are identified through policy as follows:

**Individuals Subject to Work Requirements.**

Adults receiving Work First Family Assistance (TANF assistance) are subject to the work requirements. These individuals are considered "Work Eligible Individuals." Drug felons, fleeing felons, and applicants for SSI are not excluded from the definition of work eligible individuals.

North Carolina's procedures for identifying all work-eligible individuals begin with the requirements in the state's TANF State Plan and those requirements are further defined in the Work First Policy Manual. County departments of social services use these resources for determining work-eligible individuals.

All families who apply for Work First (TANF) services participate in an initial screening and assessment process. The initial screening is a process of gathering important, preliminary information about a family, their resources and needs, and the circumstances that brought them to the agency. An initial screening/assessment by the worker collects information from the family that will determine what level of services is most appropriate for the family.

The Mutual Responsibility Agreement (MRA) outlines and describes the family's specific Work First responsibilities and ways in which the worker will assist the family with achieving them. It includes Core Requirements and Plan of Action Requirements

and is prepared jointly by the applicant/participant and the Work First worker. The MRA identifies the work requirements for “work eligible individuals.”

Most adults receiving Work First Family Assistance are subject to the work requirements. These individuals are referred to as “work eligible individuals” and therefore are considered mandatory for the work requirements. The following individuals are exempt from the work requirement:

1. Adults receiving cash assistance for a child only (The adult is not included in the case):
  - a. A non-recipient relative, other than a parent, living with a child receiving assistance.
  - b. An alien who is ineligible for Work First Family Assistance due to immigration status (immigration status requires third party verification.)
  - c. A Supplemental Security Income (SSI) recipient.
2. Single custodial parents with a child less than 12 months of age. (This exemption is limited to 12 months lifetime); **and**
3. Individuals with “child” family status (youth up to age 18 and not an emancipated minor payee). Emancipation occurs when a dependent child marries, becomes a member of the U. S. Armed Forces, or is declared emancipated by a court. (Declaration by a court rarely happens.) **An emancipated minor parent is treated as an adult applicant to qualify for and receive Work First cash assistance for themselves and their child,**
4. A parent providing care for a disabled family member living in the home who does not attend school on a full-time basis. For a parent providing care for a disabled family member to be exempt from the work requirement, the disabled family member cannot attend school full time. Medical documentation to support the need for the parent to remain in the home is required from the Health Care Professional responsible for the medical care of the disabled family member.

The Work First Policy Manual states that the worker must document each individual's work registration code to indicate whether they are subject to the work requirement. The worker is instructed to refer to the Work First User's Manual for instructions on coding individuals in EIS to indicate whether they are required to participate in employment services. Supervisory oversight in the county further provides accuracy.

North Carolina operates with a “full-family” sanction policy for all sanctioned families where an applicant/recipient fails to cooperate with work requirements, child support or their Mutual Responsibility Agreements. However, when there is a failure to cooperate

with substance abuse, the parent's needs are deducted from the grant and a protective payee is identified to receive the assistance check for the children. These parents remain on the "case", are considered work eligible individuals, and are counted in the work participation rate. The needs of felons also are deducted from the grant. These individuals remain on the "case", are considered to be work eligible individuals and are included in the work participation rate.

North Carolina does not have a Separate State Program. However, if North Carolina adopts a Separate State Program - Maintenance of Effort (SSP-MOE) program in the future, the same criteria will be used in identifying and counting work eligible individuals in the work participation rate.

The Eastern Band of Cherokee Indians, the only Indian Tribe in North Carolina recognized by the U.S. Bureau of Indian Affairs has elected to remain under the state Work First Family Assistance Program (TANF cash assistance.) County departments of social services provide for the intake, eligibility determination and cash assistance case management for tribal families. However, the county departments of social services do not provide employment services to the tribal members. The Eastern Band of Cherokee Indians continues to operate a pre-existing Native Employment Worker (NEW) program. Therefore, North Carolina does not include these individuals in our federal participation rate.

North Carolina would like to reserve the **option** to count SSI recipients in the work participation rate on a case-by-case basis. The state will conduct an assessment over the next several months to determine whether this option would be accepted. Policy and automation issues will be considered and weighed against the potential benefits of using this option.

North Carolina has been counting in the work participation rate parents providing care for a disabled family member living in the household. As a part of this Work Verification Plan, the state will be making policy and automation changes to exclude from the work participation rate a parent providing care for a disabled family member living in the home who does not attend school on a full-time basis (with medical documentation to support the need for the parent to remain in the home.) Policy implementation of this change was in effect as of October 1, 2006. Automation changes to remove these individuals from the work participation rate should be complete by the next TANF Data Report submitted to HHS.

The Work First Policy Manual effective October 1, 2006 states that for a parent providing care for a disabled family member to be exempt from the work requirement, the disabled family member cannot attend school full time, and medical documentation to support the need for the parent to remain in the home to provide care for the family member is required.

The following definitions and instructions apply:



- “Disabled” – includes a mental, physical or emotional disability that substantially reduces the individual’s ability to care for himself. This circumstance must be documented by a written statement from a doctor that substantiates the need for the disabled individual to be cared for in the home. The statement should also include an indication of the length of time that the condition requiring care in the home is expected to last. The worker must reassess the situation at the end of the time indicated by the doctor and no less often than every three months. At such time that the parent is no longer needed to care for the family member in the home, the parent resumes “work eligible individual” status.
- “Family Member” – includes an individual that is related to another individual
- “Full Time” – individual attends school approximately 5 days per week, including before and after school care, at least 40 hours per week.

2. Describe verification procedures for ensuring the accuracy in reporting of work-eligible individuals on the TANF Data Report and the SSP-MOE Data Report, including:

- The correct reporting of the Work Participation Status of all adult (or minor child head-of-household) family members, and
- The proper identification of TANF Families for inclusion in only the overall work participation rate or the overall and two-parent work participation rates, or exclusion from both the overall and two-parent work participation rates.

Work eligible and non-work eligible individuals are identified in the application process and are assigned specific codes in the automation system.

The work participation status of all adults (or emancipated minor child head of household) family members is calculated by the Client Services Data Warehouse (CSDW) using the following:

Work activity hours are entered in the Employment Programs Information System (EPIS) by county workers. All EPIS data is loaded into the CSDW. The CSDW calculates the weekly hours completed per adult per countable activity. For each countable activity CSDW divides the completed hours by the number of weeks in the month (4.3636 for every month except February and 4 for February) to get the number of hours completed per week. The actual hours completed per week of countable activities are added together for each adult in the Work First case.

Note: the use of 4.3636 for this calculation was approved by OFA as an acceptable methodology per e-mail from the Atlanta Regional Office dated May 21, 2007.

The value entered in Data Element #49 (Work Participation Status) is calculated by the CSDW. See the attached TANF Reporting and Procedures Process Document, page 67, for CSDW programming used to calculate the work participation status code for each adult.

The CSDW determines how many adults are included in each Work First case using the family status code from the Eligibility Information System (EIS) and assigns a case composition code to the family. This code represents the type of family for purposes of calculating the work participation rates. A case composition code of '1' indicates family included only in overall work participation rate; A case composition code of '2' indicates two parent family included in both the overall and two parent work participation rates; A case composition code of '0' indicates there are no adults included in the case. This '0' is converted by CSDW to a '3' which indicates family excluded from both the overall and two parent work participation rates for Data Element #12, Type of Family for Work Participation. These case composition codes are used for Data Element #12. See the attached TANF Reporting and Procedures Process Document, page 57.

A parent providing care for a disabled family member living in the home who does not attend school on a full-time basis provided that the need for such care is supported by medical documentation is identified by the work registration code "I" in EIS. Programming changes are underway to change the case composition code for these parents from what is stated above. For example, if a family has a case composition code of 1 (indicating family is to be included only in overall work participation rate), and the parent is coded as caring for a disabled family member living in the home who does not attend school on a full time basis provided that the need for such care is supported by medical documentation, the case composition code will be changed by CSDW to a '3', meaning that this case is excluded from both the overall and two parent work participation rates.

3. Describe the procedures that show how the State ensures that, for each work-eligible individual, it accurately inputs data into the automated data processing system, properly tracks the hours, and accurately reports countable hours to HHS that do not include participation in an activity that does not meet a Federal definition.

**► Accurately inputs data into the automated data process system.**

Data is entered into the State Eligibility Information System (EIS) for the Work First Program by the county departments of social services. This system has common and specific edits, including required fields such as Family Status Code, and Work Registration Code for each recipient in the case. Cases identified in EIS with specific Work Registration Codes are interfaced with the Employment Programs Information System (EPIS). The EPIS System tracks monthly activities of work-eligible individuals.

The county enters both scheduled hours and actual completed hours, number of weeks, and employment data for work eligible individuals on a monthly basis in EPIS. The EPIS system edits include the requirement of scheduled hours whenever completed hours are entered. If valid combinations are not entered, error messages are displayed on the screen. These edits ensure the State Client Services Data Warehouse (CSDW) accurately converts the actual completed monthly hours (keyed in EPIS) in Federal countable activities to actual completed weekly hours. The CSDW calculates the weekly hours completed per adult per countable activity. For each countable activity CSDW divides

the completed hours by the number of weeks in the month (4.3636 for every month except February and 4 for February) to get the number of hours completed per week. The actual completed hours per week of countable activities for each individual are reported in Section 1, data elements 50-61.

**► Accurately reports countable hours to HHS that do not include participation in an activity that does not meet a Federal definition.**

The State has defined countable and non-countable activities in the Work First Manual based on Federal guidelines. These activities are keyed into the EPIS system as either component or employment codes. Scheduled hours, completed hours, number of weeks, and employment data for work-eligible individuals are keyed using these codes. At the end of the processing period, otherwise known as the Report Month, the State Client Services Data Warehouse converts the monthly countable hours to weekly hours, as stated above.

NC reports work activities as follows:

Data Element # 50 (Unsubsidized Employment) is keyed into the EPIS system using Employment Type Code 'U', which is defined as Unsubsidized Employment. See attached TANF Reporting and Procedures Process Document, page 64 for this code process.

Data Element # 51 (Subsidized Private Sector Employment) is keyed into the EPIS system using Employment Type Code 'A', which is defined as Subsidized Private Sector Employment. See attached TANF Reporting and Procedures Process Document, page 64 for this code process.

Data Element # 52 (Subsidized Public Sector Employment) is keyed into the EPIS system using Employment Type Code 'B', which is defined as Subsidized Public Sector Employment. See attached TANF Reporting and Procedures Process Document, page 64 for this code process.

Data Element # 53 (Work Experience) is keyed into the EPIS system using component code 'AW'. See attached TANF Reporting and Procedures Process Document, page 64 for this code process.

Data Element # 54 (On the Job Training) is keyed into the EPIS system using component code 'OJ'. See attached TANF Reporting and Procedures Process Document, page 65 for this code process.

Data Element # 55 (Job Search and Job Readiness Assistance) is keyed into the EPIS system using component code 'JS'. Countable JS activities are further defined by the 2<sup>nd</sup> digit of the week's field containing a '6'. See attached TANF Reporting and Procedures Process Document, page 65 for this code process.

Data Element #56 (Community Service Programs) is keyed into the EPIS system using component code 'CS'. See attached TANF Reporting and Procedures Process Document, page 65 for this code process.

Data Element #57 (Vocational Educational Training) is keyed into the EPIS system using component code 'VT'. VT activity is tracked in EPIS and is limited to 12 months in a lifetime. See attached TANF Reporting and Procedures Process Document, page 65 for this code process.

Data Element # 58 (Job Skills Training Directly Related to Employment) is keyed into the EPIS system using component code 'ST'. See attached TANF Reporting and Procedures Process Document, page 66 for this code process.

Data Element #59 (Education Directly Related to Employment for Individuals with No High School Diploma or Certificate of High School Equivalency) is keyed into the EPIS system using component code 'ED' with activity type code '07 (Other Educational Activity). The family status code in EIS must be P (Parent), I (Incapacitated Parent), or S (Stepparent) and the education level code in EPIS must be 01-11, which indicates no high school diploma or certificate of high school equivalency. If the parent is < 20, the education employment code in EIS must =Y for ED hours to count. See attached TANF Reporting and Procedures Process Document, page 66 for this code process.

Data Element #60 (Satisfactory School Attendance for Individuals with No High School Diploma or Certificate of High School Equivalency) is keyed into the EPIS system using component code 'ED' with activity type code '07 (Other Educational Activity). The family status code in EIS must be P (Parent), I (Incapacitated Parent), or S (Stepparent) and the education level code in EPIS must be 01-11, which indicates no high school diploma or certificate of high school equivalency. If the parent is < 20, the attending school code in EIS must =Y for ED hours to count. See attached TANF Reporting and Procedures Process Document, page 66 for this code process.

Data Element # 61 (Providing Child Care Services to an Individual who is Participating in a Community Service Program is keyed into the EPIS system using component code 'PC'. See attached TANF Reporting and Procedures Process Document, page 65 for this code process.

Data Element #62 (Additional Work Activities Permitted Under Waiver Demonstration) is not used in NC.

Data Element #63 (Other Work Activities) has not been used in the past in NC. We have identified the activities we will start reporting on in this field once programming is completed.

Data Element #64 (Required Hours of Work Under Waiver Demonstration) is not used in NC.

## IV. Internal Controls

The State is required to describe internal controls that ensure a consistent measurement of the work participation rates. The Work Verification Plan should contain a clause confirming that the State will maintain all pertinent findings produced through its internal control processes and that these findings will be available for use by ACF and other auditors in their review of the State's work participation verification system.

If the State is phasing in procedures or internal controls, describe the phase-in. All procedures must be in place by September 30, 2007.

Documentation:

1. Describe the internal controls designed to ensure established work verification procedures are properly being employed. Such controls may include supervisory guidance, policy directives, and staff training plans, as well as quality assurance processes, such as monitoring procedures to ensure adherence to procedures by staff, providers and contractors. For example, to ensure the State is identifying all work-eligible individuals, a State may periodically check the disability status of a family member who is temporarily disabled, as the parent caring for the disabled family member would become a work-eligible individual once the family member is no longer disabled.

North Carolina will maintain all pertinent findings produced through our internal control processes, and these findings will be available for use by ACF and other auditors in their review of the State's work verification system.

While local agencies are primarily responsible for training their staff, the state provides policy training upon request. The state has a program consultant position dedicated to developing TANF policy curricula and a training program that will be available to local agencies. Local department of social service agencies maintain their own quality assurance processes.

The Division has a formal monitoring plan, and state monitoring staff review a sample of cases in every county on a routine basis. Each year, the two Work First monitors review a sample of cases from the eight largest counties plus thirty-two small and medium sized counties. For small and medium sized counties, there may be more frequent reviews if multiple issues are found to ensure that those issues are corrected. Issues identified in annual monitoring are addressed in consultation with state Work First field staff, and corrective action plans are developed as necessary and monitored by Work First field staff.

### **The Work First Monitoring Process**

To ensure that requirements are being met with respect to the intent of both federal and state funding, the NC Division of Social Services, Family Support and Child Welfare Section has developed a monitoring plan, which includes the Work First

program. The purpose of Work First monitoring plan is to establish a formal monitoring process which covers for both fiscal and programmatic criteria. The goal for the monitoring plan is: to insure all aspects of the Work First Program are identified and included in this monitoring function, and to define the monitoring process to incorporate current monitoring activities along with new or revised activities insuring that all services, activities, and corrective actions are addressed in this independent monitoring plan for the Work First Program.

This monitoring process covers all 100 of North Carolina's counties. In the Family Support and Child Welfare Services (FSCWS) section, two full time positions (Program Compliance Monitors) conduct the monitoring for the Work First Program. Work First monitoring uses a variety of methods, including site visits, desk audits, case record reviews, and others.

The monitoring process includes: case reviews to validate the accuracy of data reported; examination of documentation for the reported hours of work; testing of how the hours of participation were calculated; checks of how data is tracked through the system; review of the verification procedures to ensure the participant was doing what was intended, and a check of what county staff are actually using to document, count and report hours of participation.

A standardized monitoring tool and instructions have been developed to monitor the Work First Program. The monitoring tool currently in use is based on applicable laws and regulations that govern the program being monitored. Items have been added to the Work First tool to incorporate work verification policy and to capture compliance or non-compliance within this program policy. With a yearly review of the monitoring plan, the Work First Program, and the Work First State Plan, the monitoring tools currently being used by the Work First Program Compliance Monitors (PCM) may be updated as the need occurs.

Each monitor schedules monitoring activities for the counties that fall in their assigned area. The monitoring activity may take the form of site visits, desk audits, case record reviews, review of sub-recipient reports, and other methods as determined. County DSS agencies are notified prior to their monitoring.

County departments of social services (government subrecipients) are divided into three levels based on the size of the agency. These levels have been in place for a number of years, and are used for monitoring and reporting purposes. The number of cases pulled for monitoring are determined by county level.

<u>LEVEL I COUNTIES</u>	<u>LEVEL II COUNTIES</u>	<u>LEVEL III COUNTIES</u>
<u>Work First 10 Cases</u>	<u>Work First 15 Cases</u>	<u>Work First 20 Cases</u>

Currently, the PCM select their samples through Data Warehouse queries which are designed to capture cases in both categories of certification periods: the application certification period and review certification period. Queries are also designed to

identify and capture cases from the three active strata of the Work First population: child only cases, single parent cases, and two parent cases.

The results of the monitoring process are documented in a written report for the subrecipient that identifies all strengths that were noted and any areas needing improvement or found out of compliance for the Work First Program. These written reports are provided to the subrecipient (county DSS) and include any instructions required for corrective action. The county DSS is allowed to request an appeal within 30 days from the date of the letter or written report to the county with the results of the onsite monitoring process.

If a substantial non-compliance issue is found, the county develops a corrective action plan within 30 days and forwards that plan to the PCM responsible for that review. The PCM works in conjunction with the county's assigned Work First Representative in order to alleviate the areas of non-compliance.

Monitoring tools, relevant verification information, compliance findings, corrective action plans, initial and follow-up correspondence are maintained in the Family Support and Child Welfare Section, Albemarle Building, 325 N. Salisbury Street, Raleigh, NC. Once the formal report of results from the monitoring are officially released, all case specific documents copied from county records are shredded. Otherwise, records will be maintained according to the North Carolina Records Retention Policy.

### **Work First Representatives**

Eight state staff who are located regionally are known as Work First Representatives (WFR). These Work First field staff provide ongoing training, supervision and consultation to county agencies and are available on a daily basis. Each WFR's daily schedule, telephone number and email address are provided to their assigned counties. Field staff are required to respond to telephone or email requests for technical assistance on a daily basis, regardless of whether a site visit is scheduled in that county. County onsite technical assistance/consultative visits are made no less frequently than one onsite visit per quarter. Consultation reports are submitted to the field staff supervisor and to the county after each visit. Reports reflect issues reviewed onsite, including brief discussion and notation of records reviewed (cash and employment), follow-up plan, and performance data. The field staff also have an ongoing monitoring role in addition to the Division's formal Work First monitors to ensure established work verification procedures are properly being employed.

### **Parents Providing Care for a Disabled Family Member:**

North Carolina's Work First Policy Manual revisions effective October 1, 2006 include the following:

For a parent providing care for a disabled family member to be exempted from the work requirement, the disabled family member cannot attend school full time, and

there is a requirement for medical documentation to support the need for the parent to remain in the home to provide care for the family member. The term disabled includes a mental, physical or emotional disability that substantially reduces the individual's ability to care for himself. This circumstance must be documented by a written statement from a doctor that substantiates the need for the disabled individual to be cared for in the home. The statement should also include an indication of the length of time that the condition requiring care in the home is expected to last. If the disability is determined by the doctor to be temporary, the worker should reassess the situation at the end of the time that the doctor indicated that the condition would no longer require care in the home but no less than every three months. At such time that the parent is no longer needed to care for the family member in the home, the parent resumes "work eligible individual" status.

### **National Directory of New Hires**

North Carolina entered into an agreement to participate in the no cost match with the National Directory of New Hires (NDNH) for federal fiscal year 05-06. A pilot group consisting of counties that were representative of North Carolina's demographic composition was developed. The results of the pilot project have allowed North Carolina to determine that the NDNH is an effective tool. As a result, North Carolina has entered into an agreement with ACF to continue matching, at cost. This will allow all Work First programs in North Carolina to access the UI and W-4 databases of the NDNH. In addition to having significant impact on the economic well being of families in determining additional support, the NDNH will assist in the identification of those individuals who are employed. This information will increase our ability to meet a higher participation rate.

2. Describe the internal controls to control for data errors, including transcription and coding errors, data omissions, computational errors, and compilation errors. For example, a State might automatically review the case record of each work-eligible individual whose reported average weekly hours of participation are unusually high (e.g., 70 or more hours per week) by examining the documentation used to support those hours.

Currently State and CSDW staff review the error flags received from ACF. Errors are researched to determine if calculation changes need to be modified. If the problem is due to a keying error by the county, Work First Field staff are contacted to work with the county to resolve. The Work First Field staff notifies the state of the correction needed. State staff unlocks the TDC and keys the corrections. The TDC is re-locked and re-exported and loaded into the CSDW for retransmission to ACF.

The state produces monthly reports available for counties to access that identify individuals who are active in the employment services automated system but have not participation hours keyed or are not registered for any work activities. County supervisory staff use these reports to follow up with workers to ensure accurate and timely data entry.



NC's stratified TANF sample is made available to counties in the TANF Data Collection (TDC) System on a monthly basis. Once the counties key the information into the TDC (by the keying deadline), the data is exported from the TDC to the TANF Audit Universe in the CSDW. The State will develop the following queries in the CSDW. These queries will be used by State Work First Field staff to follow up with counties to ensure accurate data is keyed.

1. Query displaying every case and data element per county.
2. Query displaying weekly hours per individual per activity.
3. Query displaying marital status of adults and affiliates by case.
4. Query displaying the relationship to head of household for each individual per case.
5. Query displaying the Work Eligible Indicator code and Family Affiliate Code for cases with Affiliates.
6. Query displaying the Work Eligible Indicator code for Adults.
7. Query displaying the Federal and State time limits which will be compared to the Eligibility Tracking data in EIS.
8. Query displaying individuals with abnormal participation hours, such as greater than 50 hours per week.

The State will also develop daily queries in the CSDW for work participation rates. These reports will be used by county supervisory staff to follow up with workers to ensure accurate and timely data entry.

See attached TANF Reporting and Procedures Process Document, page 116, for the Federal reporting process which details the FTANF software provided by the federal government to be used as a validation tool for TANF ftp files.

North Carolina identified several enhancements that were needed in this area. The enhancement below was completed and moved to production before the 2006Q4 transmission was submitted on 2/2/07.

- The Federal TANF Report was modified to match the revised Federal Layout.
- Reporting Other Work Activities in Section One, Item #63. Currently, NC does not report non-countable hours in Item # 63. A project is planned to begin calculating the weekly hours (using the weeks factor stated above) for these non-countable activities and entering the hours in Item # 63 for each adult.

The following enhancement has been completed and moved to production March 5, 2007:

- A new Child Only Reason field in the EIS System to help identify the different categories for North Carolina's "child-only cases." This code

identifies the case as child only due to: the parent being an SSI recipient; the parent being in sanction; the parent being an undocumented immigrant; or the parent being a relative caregiver or legal custodian/guardian. (Parents in sanction continue to be considered work eligible.)

The following enhancements have been completed and moved to production May 9, 2007:

- The work participation calculation has been modified to remove parents providing care for a disabled family member living in the home who does not attend school on a full-time basis provided that the need for such care is supported by medical documentation. These individuals are coded a '9' in Item #48 (Work Eligible Indicator), a '99' in Item #49 (Work Participation Status), and Item #12 (Type of Family for Work Participation) is coded correctly to reflect this change.

The following enhancements will occur no later than September 30, 2007:

- Additional edits will be added to the TANF Data Collection System, to ensure the relationship to the head of household is valid. These edits will eliminate items prone to error.
  - Update to Section One, Item #49, Value #17, Deemed Engaged in Work. Currently this value is calculated using the Work Registration Code 'L' (Single Parent with Child Under Age 6). The Work Registration Code 'L' captures cases containing children receiving SSI who are not included in the TANF case. This calculation will be changed to also check for children on the case under age 6 when the adult on the case has a Work Registration Code other than an L. This will ensure the correct hour requirement is applied to the adult.
  - Update to Section One, Item #50-61. Currently when calculating completed monthly hours to a weekly amount, CSDW is not adding multiple rows of activity for the same component or employment before dividing by the week's factor (4.3636 for every month except February, which uses the factor of 4.) This is a rare occurrence that only happens whenever an activity is closed before all hours are keyed, or two entries of employment are keyed due to the differences in the wage range, which requires separate entries. A step will be included in this calculation to add the multiple rows of activity together before dividing by the week's factor.
  - The EPIS System will be modified to allow entry of work activity hours for prior report months to be keyed by county workers. This is needed to capture hours resulting from matched data in the National Directory of New Hire Database. These hours will be included in retransmissions of the ACF-199.
3. Describe the checks used to isolate electronic systems and programming errors and the steps to ensure that all work participation report items are internally consistent. For example, a State might obtain the raw data (prior to input into an automated data

processing system) for a sample of work-eligible individuals and determine manually the average weekly hours of participation for each work activity for a month and compare that result to what the State actually reported to HHS.

See TANF Reporting and Procedures Process Document, page 116, for the Federal reporting process which details the FTANF software provided by the federal government to be used as a validation tool for TANF ftp files.

An additional check is used for validating Data Element #38, Relationship to Head of Household. This field is keyed in the TANF Data Collection System by county departments of social services. If the data field is not keyed, the CSDW populates this field in the TANF Data Report using the following logic:

If the Relationship to Head of Household is blank, and the value in data element #30, Family Affiliation, is '1' (Member of the eligible family receiving assistance), and the individual is the head of household, the Relationship to head of household is set to '01' (head of household).

If the Relationship to Head of Household is blank, and the value in data element #30, Family Affiliation, is '1' (Member of the eligible family receiving assistance), and data element #37 (Marital Status) is '2' (Married living together), and the individual is not the head of household, the Relationship to head of household is set to '02' (Spouse).

If the Relationship to Head of Household is blank, and the value in data element #30, Family Affiliation, is '1' (Member of the eligible family receiving assistance), and data element #37 (Marital Status) is '1' (Single, never married) or '3' (Married, but separated), or '4' (Widowed), or '5' (Divorced), and Data Element #39, Parent with Minor Child in the Family is '1' (Parent with a minor child and used in two parent participation rate), or '2' (Parent with a minor child but not used in two parent participation rate), and the individual is not the head of household, the Relationship to head of household is set to '03' (Parent).

If the Relationship to Head of Household is blank, and the value in data element #30, Family Affiliation, is '1' (Member of the eligible family receiving assistance), and data element #37 (Marital Status) is '1' (Single, never married), or '3' (Married, but separated), or '4' (Widowed), or '5' (Divorced), and Data Element #39, Parent with Minor Child in the Family is not a '1' (Parent with a minor child), or '2' (Parent with a minor child), and the individual is not the head of household, the Relationship to head of household is set to '07' (Other Related Person).

If the Relationship to Head of Household is blank, and the value in data element #30, Family Affiliation, is '2' (Parent of minor child in the eligible family receiving assistance) and data element #37 (Marital Status) is '1' (Single, never married), or '3' (Married, but separated), or '4' (Widowed), or '5' (Divorced), the Relationship to Head of household is set to '03' (Parent).

If the Relationship to Head of Household is blank, and the value in data element #30, Family Affiliation, is '3' (Caretaker relative of minor child in the eligible family receiving assistance), and data element #37 (Marital Status) is '1' (Single, never married), or '3' (Married, but separated), or '4' (Widowed), or '5' (Divorced), the Relationship to Head of household is set to '07' (Other Related Person).

If the Relationship to Head of Household is blank, and the value in data element #30, Family Affiliation, is '2' (Parent of minor child in the eligible family receiving assistance) or a '3' (Caretaker relative of minor child in the eligible family receiving assistance), and data element #37 (Marital Status) is '2' (Married Living Together), the Relationship to Head of household is set to '02' (Spouse).

If the Relationship to Head of Household is blank, and the value in data element #30, Family Affiliation, is '5' (Person whose income or resources are considered in determining eligibility for amount of assistance for the eligible family receiving assistance), the Relationship to head of household is set to '10' (Unrelated adult).

See attached TANF Reporting and Procedures Process Document, page 61, for the programming specifications for this process.

After the TANF sample is created, CSDW will generate a report listing these cases on a daily basis. County management staff will use this report to follow up with workers to ensure accurate and timely data entry of hours in the EPIS system. State field staff will review periodically.

4. Describe any sampling and estimation techniques employed in data validation. The Work Verification Plan should document the soundness of all statistical procedures utilized in the verification process. All estimation techniques must be reasonable and fully described in the plan. For estimates based on sampling or other statistical techniques, the plan must contain, as appropriate, the step-by-step computations of precision, affirming that the produced estimates are within statistically acceptable levels of reliability and validity.

A query will be created in the Client Services Data Warehouse so counties can validate hours keyed daily. This report will be used by supervisors and lead workers for validation. The Work First Representatives and the Work First Monitors will sample this report during their county visits. The sample of all Work First case records to be monitored monthly by county supervisory staff as described in #2 above will correspond to the existing sampling process that N. C. uses to produce the TANF data report.

## **V. Verification of Other Data Used in Calculating the Work Participation Rates**

Under the “complete and accurate” standard for data reporting, States should validate all data submitted in its TANF Data Report and, if applicable, the SSP-MOE Data Report. In addition to the work activities, the following data elements are used in calculating the work participation rates:

- Reporting Month
- Stratum
- Case Number
- Disposition
- Type of Family for Work Participation
- Amount of Food Stamps Assistance
- Receives Subsidized Child Care
- Amounts of TANF (and SSP-MOE) Assistance
- Family Affiliation Code
- Non-custodial Parent Indicator
- Date of Birth (Adult)
- Relationship to Head-of-Household
- Parent with Minor Child
- Work-Eligible Individual Indicator
- Date of Birth (Child)

The Work Verification Plan should contain the procedures needed to establish that the State has the capacity to breakout TANF families with a work-eligible individual by the case characteristics that relate to the special rules and conditions of participation, such as receipt of child care, age of child, age of adult or teen parent, number of months under a sanction, adult or teen parent with satisfactory school attendance, and families with a disabled family member (adult or child).

TANF applications are keyed and approved in the EIS System. The EPIS System reads the EIS database each night and updates and adds individuals eligible for the employment program based on work registration and family status codes entered in EIS. A Potential Participant Report is generated weekly to alert counties to new participants in EPIS. County workers contact the individual(s), conduct an interview/assessment, and together they decide on an appropriate plan of action and work activities.

The worker determines the required hours of activity. The individual is responsible for submitting time cards or other supporting documentation of actual hours of participation to the county worker. The county worker keys this information into the EPIS system by component or employment code, number of weeks of participation, actual hours completed and hours scheduled, by a specified keying deadline. Scheduled hours in the system are used for tracking whether the participant’s actual hours of participation met the requirements for their Mutual Responsibility Agreement. Scheduled hours are never used for reporting participation rates; only actual hours of participation are reported.

The CSDW loads the EIS and EPIS data on a daily and monthly basis. A stratified sample is obtained from the monthly EIS data in the CSDW, populated into the TDC. Counties are notified to complete data entry for these cases by the keying deadline.

Currently State and CSDW staff review the error flags received from ACF. Errors are researched to determine if calculation changes need to be modified. If the problem is due to a keying error by the county, Work First Field staff are contacted to work with the county to resolve. The Work First Field staff notifies the state of the correction needed. State staff unlocks the TDC and keys the corrections. The TDC is re-locked and re-exported and loaded into the CSDW for retransmission to ACF.

The state produces monthly reports available for counties to access that identify individuals who are active in the employment services automated system but have no participation hours keyed, or are not registered for any work activities. County supervisory staff use these reports to follow up with workers to ensure accurate and timely data entry.

NC's stratified TANF sample is made available to counties in the TANF Data Collection (TDC) System on a monthly basis. Once the counties key the information into the TDC (by the keying deadline), the data is exported from the TDC to the TANF Audit Universe in the CSDW. The state will develop the following queries in the CSDW. These queries will be used by State Work First Field staff to follow up with counties to ensure accurate data is keyed.

1. Query displaying every case and data element per county.
2. Query displaying weekly hours per individual per activity.
3. Query displaying marital status of adults and affiliates by case.
4. Query displaying the relationship to head of household for each individual per case.
5. Query displaying the Work Eligible Indicator code and Family Affiliate Code for cases with Affiliates.
6. Query displaying the Work Eligible Indicator code for Adults.
7. Query displaying the Federal and State time limits which will be compared to the Eligibility Tracking data in EIS.
8. Query displaying individuals with abnormal participation hours, such as greater than 50 hours per week.

The state will also develop daily queries in the CSDW for work participation rates. These reports will be used by county supervisory staff to follow up with workers to ensure accurate and timely data entry.

The system edits in EIS and EPIS, the queries being developed for the Work First Field staff to monitor for accuracy, and staff researching and correcting error flags from ACF will validate the reported work participation rate for reliability.

Documentation:

1. For each of the above data elements, describe the State's data validation procedures to ensure "complete and accurate" data reporting.

Reporting Month, Stratum, Case Number, and Disposition: These data elements are selected during the TANF Sampling process, as described in NC's TANF Data Collection and Reporting Sampling Plan effective October 1, 1999. NC recently discovered that this sampling plan was never officially approved. OFA Division of Data Collection & Analysis has requested NC to submit our FY2007 Sampling Plan immediately. This is in process. See TANF Reporting and Procedures Process Document, page 7, for the TANF Sample process.

Type of Family for Work Participation: This data element is calculated by the CSDW as follows: The CSDW determines how many adults are included in each Work First case using the family status code from the Eligibility Information System (EIS) and assigns a case composition code to the family. This code represents the type of family for purposes of calculating the work participation rates. A case composition code of '1' indicates family included only in overall work participation rate; A case composition code of '2' indicates two parent family included in both the overall and two parent work participation rates; A case composition code of '0' indicates there are no adults included in the case. This '0' is converted by CSDW to a '3' which indicates family excluded from both the overall and two parent work participation rates. These case composition codes are used for Data Element #12, Type of Family for Work Participation. See the attached TANF Reporting and Procedures Process Document, page 57.

A parent providing care for a disabled family member living in the home who does not attend school on a full-time basis provided that the need for such care is supported by medical documentation is identified by the work registration code "I" in EIS. Programming changes are underway to change the case composition code for these parents from what is stated above. For example, if a family has a case composition code of 1 (indicating family is to be included only in overall work participation rate), and the parent is coded as caring for a disabled family member living in the home who does not attend school on a full time basis provided that the need for such care is supported by medical documentation, the case composition code will be changed by CSDW to a '3', meaning that this case is excluded from both the overall and two parent work participation rates.

Amount of Food Stamps Assistance: This data element is calculated by the CSDW from the Food Stamp History Table. CSDW adds all benefit amounts for the family for the report month to get the food stamp benefit for the family. See the attached TANF Reporting and Procedures Process Document, page 53.

Receives Subsidized Child Care: This data element is entered in the TANF Data Collection System by county departments of social services. See the attached TANF Reporting and Procedures Process Document, page 51.

Amounts of TANF (and SSP-MOE) Assistance: This data element is calculated by the CSDW from the Eligibility Information System Check History Table. CSDW adds all TANF benefit amounts for the family for the report month to get the total TANF amount for the family. See the attached TANF Reporting and Procedures Process Document, page 50. NC does not provide SSP-MOE assistance.

Family Affiliation Code: This data element is set to a '1' for individuals on the TANF case. For affiliates this data element is keyed into the TANF Data Collection System by the county departments of social services. See the attached TANF Reporting and Procedures Process Document, page 58.

Non-custodial Parent Indicator: This data element is keyed into the TANF Data Collection System by the county departments of social services. See the attached TANF Reporting and Procedures Process Document, page 58.

Date of Birth (Adult): This data element is brought forward by the CSDW from the EIS Individual Table. See the attached TANF Reporting and Procedures Process Document, page 48.

Relationship to Head of Household: This data element is keyed into the TANF Data Collection System by the county departments of social services. See the attached TANF Reporting and Procedures Process Document, page 48.

Parent with Minor Child: This data element is keyed into the TANF Data Collection System by the county departments of social services. See the attached TANF Reporting and Procedures Process Document, page 49.

Work-Eligible Individual Indicator: This data element is keyed into the TANF Data Collection System by the county departments of social services. See the attached TANF Reporting and Procedures Process Document, page 49.

Date of Birth (Child): This data element is brought forward by the CSDW from the EIS Individual Table. See the attached TANF Reporting and Procedures Process Document, page 48.

2. Describe any procedures employed to eliminate data inconsistencies between two or more data elements.

See TANF Reporting and Procedures Process Document, page 116 for the FTANF System, which is used as a validation tool.



An additional check is used for validating Data Element #38, Relationship to Head of Household. This field is keyed in the TANF Data Collection System by county departments of social services. If the data field is not keyed, the CSDW populates this field in the TANF Data Report using the following logic:

If the Relationship to Head of Household is blank, and the value in data element #30, Family Affiliation, is '1' (Member of the eligible family receiving assistance), and the individual is the head of household, the Relationship to head of household is set to '01' (head of household).

If the Relationship to Head of Household is blank, and the value in data element #30, Family Affiliation, is '1' (Member of the eligible family receiving assistance), and data element #37 (Marital Status) is '2' (Married living together), and the individual is not the head of household, the Relationship to head of household is set to '02' (Spouse).

If the Relationship to Head of Household is blank, and the value in data element #30, Family Affiliation, is '1' (Member of the eligible family receiving assistance), and data element #37 (Marital Status) is '1' (Single, never married) or '3' (Married, but separated), or '4' (Widowed), or '5' (Divorced), and Data Element #39, Parent with Minor Child in the Family is '1' (Parent with a minor child and used in two parent participation rate), or '2' (Parent with a minor child but not used in two parent participation rate), and the individual is not the head of household, the Relationship to head of household is set to '03' (Parent).

If the Relationship to Head of Household is blank, and the value in data element #30, Family Affiliation, is '1' (Member of the eligible family receiving assistance), and data element #37 (Marital Status) is '1' (Single, never married), or '3' (Married, but separated), or '4' (Widowed), or '5' (Divorced), and Data Element #39, Parent with Minor Child in the Family is not a '1' (Parent with a minor child), or '2' (Parent with a minor child), and the individual is not the head of household, the Relationship to head of household is set to '07' (Other Related Person).

If the Relationship to Head of Household is blank, and the value in data element #30, Family Affiliation, is '2' (Parent of minor child in the eligible family receiving assistance) and data element #37 (Marital Status) is '1' (Single, never married), or '3' (Married, but separated), or '4' (Widowed), or '5' (Divorced), the Relationship to Head of household is set to '03' (Parent).

If the Relationship to Head of Household is blank, and the value in data element #30, Family Affiliation, is '3' (Caretaker relative of minor child in the eligible family receiving assistance), and data element #37 (Marital Status) is '1' (Single, never married), or '3' (Married, but separated), or '4' (Widowed), or '5' (Divorced), the Relationship to Head of household is set to '07' (Other Related Person).

If the Relationship to Head of Household is blank, and the value in data element #30, Family Affiliation, is '2' (Parent of minor child in the eligible family receiving assistance) or a '3' (Caretaker relative of minor child in the eligible family receiving assistance), and data element #37 (Marital Status) is '2' (Married Living Together), the Relationship to Head of household is set to '02' (Spouse).

If the Relationship to Head of Household is blank, and the value in data element #30, Family Affiliation, is '5' (Person whose income or resources are considered in determining eligibility for amount of assistance for the eligible family receiving assistance), the Relationship to head of household is set to '10' (Unrelated adult).

See TANF Reporting and Procedures Process Document, page 61, for the programming specifications for this process.

### **Work Participation Status**

1. Describe the State's procedures to ensure that a family is not disregarded from the work participation rate for more than 12 months per lifetime based on being a single custodial parent with a child less than one year of age.

The State EIS system contains a Work Registration Code that edits on the age of the child based on the code of the parent. There is a Work Registration Code 'S' for a single custodial parent with a child less than 12 months. There is also a relationship edit in place to ensure if this work code is entered that the case contains a child less than 12 months. If there is not a child on the case less than 12 months, a warning message is displayed. The warning message can be overridden in situations where the child less than 12 months is an SSI recipient who is not included in the Work First case. There is an edit on the Work Registration Code 'S' that prevents entry of this code after the lifetime limit of 12 months is reached. The State EIS system maintains an Eligibility Tracking Screen for the parent which displays the months the Work Code 'S' is used.

2. Describe the State's procedures to ensure that a family is not disregarded from the work participation rate for more than three months in any period of 12 consecutive months based on a work-eligible individual's refusal to participate in work.

North Carolina operates with a "full-family" sanction policy for all sanctioned families that fail to cooperate with work requirements, child support or their Mutual Responsibility Agreements and are not considered "recipients." However, when there is a failure to cooperate with substance abuse, the parent's needs are deducted from the grant and a protective payee is identified to receive the assistance check for the children. These parents remain on the "case", are considered work eligible individuals, and are counted in the work participation rate. The needs of felons also are deducted from the grant. These individuals remain on the "case", are considered to be work eligible individuals and are included in the work participation rate.

3. Describe the State's procedures for ensuring a family deemed engaged in work based on 20 hours of participation in countable work activities meets the requirements of a single custodial parent or caretaker relative with a child under age six.

The CSDW calculates a family deemed engaged in work by first determining the case contains a single custodial parent or caretaker relative. This is determined by the family status code in EIS, which is stored in the EIS Individual Table in CSDW. Next, CSDW captures these adults with Work Registration Code 'L', which identifies Single Parent with Child Under Age 6, using the EIS Individual Table. Then, the sum of the core hours (which are hours from Data Elements #50-61 are calculated by the CSDW. If the total is greater than or equal to 20, the family is deemed engaged in work. NC has identified a change needed. This calculation will be changed to also check for children on the case under age 6 when the adult on the case has a Work Registration Code other than an L. This will ensure the correct hour requirement is applied to the adult.

See TANF Reporting and Procedures Process Document for the Federal, page 67, which details the processing for data element #49, Work Participation Status, value 17.

## **VI. Submittal Procedures**

The State must submit its interim Work Verification Plan to HHS no later than September 30, 2006. Failure to submit the interim Work Verification Plan on time opens a State to a penalty of five percent of the grant. We will review a State's Work Verification Plan for completeness and approve it if we believe that it will result in accurate reporting of work participation information. If, after our review of the plan, we require changes or modifications to the plan, we will request these changes in writing. (We anticipate the need for conference calls or technical assistance and will arrange and discuss change requests with States.) A State must make the changes and submit them within 60 days of receipt of our notice. While all necessary changes must be made and the final plan approved by HHS by no later than September 30, 2007, States will need time to implement their plan. Consequently, States should submit their original plan as soon as possible and respond to required changes quickly.

The IV-A Administrator in the State should submit the Work Verification Plan to the Office of Family Assistance (OFA), with a copy to the appropriate Regional Office of the Administration for Children and Families (ACF). The original should be sent to:

Office of Family Assistance  
Administration for Children and Families  
5th Floor East  
370 L'Enfant Promenade, SW.  
Washington, DC 20447

A State may also submit the Work Verification Plan electronically (as an e-mail attachment) and mail the original signature separately.

If you have any questions about this guide or developing your Work Verification Plan, please contact Sean Hurley at (202) 401- 9297 [shurley@acf.hhs.gov](mailto:shurley@acf.hhs.gov) or Robert Shelbourne at (202) 401-5150 [rshelbourne@acf.hhs.gov](mailto:rshelbourne@acf.hhs.gov).

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## **Attachment A**

### **§ 261.62 What must a State do to verify the accuracy of its work participation information?**

(a) To ensure accuracy in the reporting of work activities by work-eligible individuals on the WORK FIRST Data Report and, if applicable, the SSP-MOE Data Report, each State must:

- (1) Establish and employ procedures for determining whether its work activities may count for participation rate purposes;
- (2) Establish and employ procedures for determining how to count and verify reported hours of work;
- (3) Establish and employ procedures for identifying who is a work-eligible individual;
- (4) Establish and employ internal controls to ensure compliance with the procedures; and
- (5) Submit to the Secretary for approval the State's Work Verification Plan in accordance with paragraph (b) of this section.

(b) A State's Work Verification Plan must include the following:

- (1) For each countable work activity:
  - (i) A description demonstrating how the activity meets the relevant definition at § 261.2;
  - (ii) A description of how the State determines the number of countable hours of participation for self-employed individuals; and
  - (iii) A description of the documentation it uses to monitor participation and ensure that the actual hours of participation are reported;
- (2) A description of the State's procedures for identifying all work-eligible individuals, as defined at § 261.2;
- (3) A description of how the State ensures that, for each work-eligible individual, it:
  - (i) Accurately inputs data into the State's automated data processing system;
  - (ii) Properly tracks the hours through the automated data processing system; and
  - (iii) Accurately reports the hours to the Department;
- (4) A description of the procedures for ensuring it does not transmit to the Department a work-eligible individual's hours of participation in an activity that does not meet a Federal definition of a countable work activity; and
- (5) A description of the internal controls that the State has implemented to ensure a consistent measurement of the work participation rates, including the quality assurance processes and sampling specifications it uses to monitor adherence to the established work verification procedures by State staff, local staff, and contractors.

(c) We will review a State's Work Verification Plan for completeness and approve it if we believe that it will result in accurate reporting of work participation information.